

Message Text

CONFIDENTIAL

PAGE 01 JAKART 07817 140945Z

ACTION EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 EPG-02 SIL-01 OMB-01 H-01 AGR-01

/055 W

-----140951Z 060362 /13

P 140844Z JUN 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC PRIORITY 1741

C O N F I D E N T I A L JAKARTA 7817

E.O. 11652: GDS

TAGS: EFIN, EAID, IBRD, ID

SUBJECT: IBRD LOAN FOR INDONESIA FOR SMALLHOLDERS NUCLEUS ESTATES I

REF: STATE 133708

1. SUMMARY: EMBASSY HAS PURSUED QUESTION OF POSSIBLE INDONESIAN POSTPONEMENT OF IBRD PALM OIL APPLICATION. VISIT OF SECRETARY OF AGRICULTURE BERGLAND PROVIDED OPPORTUNITY TO EXPLAIN U.S. POLICY TO HIGHEST LEVELS INDONESIAN GOVERNMENT. INDONESIANS UNDERSTAND BUT WOULD OBVIOUSLY PREFER THAT BANK TAKE INITIATIVE ON POSTPONEMENT.

2. ECON/COMM COUNSELOR CALLED ON DEPUTY CHAIRMAN BAPPENAS, SALEH AFFIF, MORNING OF JUNE 11 TO DISCUSS SUBJECT REFTTEL. STRESSED THAT USG FACES SENSITIVE SITUATION IN CONGRESS WITH REGARD TO PALM OIL LOANS WHICH MIGHT JEOPARDIZE CONGRESSIONAL SUPPORT TO THE IFIS. ACCORDINGLY, WE WOULD APPRECIATE IT IF GOI COULD ASK BANK TO DELAY CONSIDERATION OF LOAN FOR MONTH OR TWO. ALSO INFORMED AFFIF THAT USG HAD ADVISED IBRD MANAGEMENT OF APPROACH WE ARE MAKING TO GOI AND THAT E/CM COUNSELOR HAD MENTIONED MATTER TO IBRD RESIDENT REPRESENTATIVE AT A RECEPTION PRIOR EVENING. MADE POINT THAT WE WOULD BE PREPARED TO SUPPORT INDONESIAN INITIATIVE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JAKART 07817 140945Z

TO MOVE CONSIDERATION OF AN ALTERNATE LOAN IN PLACE OF PALM OIL ONE.

3. AFFIF WAS NON-COMMITAL AND SAID HE WOULD HAVE TO APPRISE MINISTER OF STATE WIDJOJO. HE ALSO RECOMMENDED WE DISCUSS SUBJECT WITH DR. JULIANTO, DIRECTOR GENERAL IN FINANCE MINISTRY, SINCE LATTER IS ONE OF PRINCIPAL ACTION OFFICERS

FOR IBRD LOANS IN GOI.

4. DURING SECRETARY OF AGRICULTURE BERGLAND'S VISIT HE EXPLAINED TO PRESIDENT SUHARTO AND MINISTERS TOYIB, WIDJOJO AND PRAWIRO THAT PALM OIL EXPANSION REPRESENTS TEMPORARY POLITICAL PROBLEM IN U.S. HE STRESSED, HOWEVER, THAT HE DOES NOT BELIEVE PALM OIL REPRESENTS THREAT TO U.S. SOYBEAN SALES BECAUSE ALL PROTIENS WILL BE NEEDED IN WORLD WITH RAPIDLY EXPANDING POPULATION. AMBASSADOR, IN MEETING WITH WIDJOJO, RAISED SPECIFICALLY U.S. DESIRE THAT ACTION ON INDONESIAN PALM OIL PROJECT BE POSTPONED WHILE CURRENT U.S. LEGISLATION PENDING. WIDJOJO WAS NON-COMMITAL.

5. SUBSEQUENTLY WORLD BANK REPRESENTATIVE BANETH TOLD AMBASSADOR THAT HE HAD HEARD FROM WIDJOJO THAT WHILE INDONESIAN UNDERSTOOD PROBLEM, THEY WOULD PREFER THAT BANK TAKE INITIATIVE ON ANY POSTPONEMENT. BANETH SAID HE WOULD BE TELEPHONING THIS POSITION TO BANK JUNE 14. BANETH SAID HE HAD EXPRESSED HIS PERSONAL VIEW TO INDONESIANS THAT POSTPONEMENT SHOULD NOT CAUSE ANY PROBLEM IN ULTIMATE IMPLEMENTATION OF PROJECT.

6. EMBASSY HAS APPOINTMENT WITH JULIANTO MORNING JUNE 15 AND WILL REPORT FURTHER.
NEWSOM

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, OILS, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JAKART07817
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770211-0885
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770660/aaaacajq.tel
Line Count: 87
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 22a2c97d-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 133708
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2165104
Secure: OPEN
Status: NATIVE
Subject: IBRD LOAN FOR INDONESIA FOR SMALLHOLDERS NUCLEUS ESTATES I
TAGS: EFIN, EAID, ID, IBRD
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/22a2c97d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009